



JOSH GOTTHEIMER
New Jersey's 5th District

A FACT-BASED REPORT ON THE
**STATE AND LOCAL TAX
DEDUCTION CAP**

AND ITS IMPACT ON NEW JERSEY'S
FIFTH CONGRESSIONAL DISTRICT

A Fact-Based Report on the **State and Local Tax Deduction Cap** and its Impact on New Jersey's Fifth Congressional District

It is clear from this report that the 2017 Tax Hike Bill is having an incredibly negative impact on residents' taxes, jobs, and home values in New Jersey's Fifth Congressional District.

The Tax Hike bill gutted the State and Local Tax deduction (SALT), sharply limiting to \$10,000 our property tax and state income tax deductions. This imposed an immediate and unwarranted tax hike on our hard working middle class families and local businesses. The Tax Hike Bill also eliminated home equity loan deductions and slashed the mortgage interest deduction.

The SALT cap is also drastically reducing the average value of homes in counties across our state.

Keep in mind that this double taxation was lobbed at New Jersey, New York, and other SALT states by the Mocher States. The Red States made out like bandits and got tax relief for themselves, while we in New Jersey paid for it. In fact, the only way they footed the bill was to steal more than \$668 billion dollars out of our pockets here in the SALT states.

Historically, Mocher States like Mississippi, Alabama, and West Virginia have each taken \$4.38, \$3.14, and \$4.23 back, respectively for each \$1 they pay into the federal government. While, historically, New Jersey has only received 77¢ for each dollar we send to Washington, and far less in New Jersey's Fifth Congressional District.

Following the Mocher States' Tax Hike Bill, New Jersey is now the number one state in the entire nation for outmigration. Twice as many people moved out of New Jersey last year as moved in.

Before the bill gutted our SALT deduction, all four counties in New Jersey's Fifth Congressional District had an average SALT claim above the \$10,000 cap. In Warren County, the average deduction was \$12,588. In Sussex County, the average taxpayer claimed \$14,267. In Passaic County, the average deduction was \$14,714. In Bergen County, the average taxpayer claimed \$24,783 in State and Local Taxes – more than half of which is now subject to double taxation under the recent law.

Furthermore, overall, the Tax Hike Bill is estimated to add \$2.3 trillion to our national debt over the next decade.

Enough is enough.

I have introduced bipartisan legislation that reinstates the SALT deduction, and I am the lead co-sponsor on two bipartisan resolutions overturning the harmful Treasury regulations that have been aimed at restricting residents in New Jersey from deducting charitable contributions on their federal taxes.

I am also calling on the House Ways & Means Committee and congressional leadership -- Democrats and Republicans -- to restore the SALT deduction before this year's end and give Americans the tax relief they deserve.

This is a fight for North Jersey, for North Jersey families, and for New Jersey's future. It is time for both sides to work together to get this all done. It is just common sense. Working together, we can cut taxes.

Josh Gottheimer
U.S. Congressman
New Jersey's Fifth Congressional District

NEW JERSEY HAS ALWAYS BEEN WHACKED BY

THE MOOCHER STATES

States Taking More from the Federal Government Than They Pay In



MISSISSIPPI



ALABAMA



WEST VIRGINIA

New Jersey only gets 77¢ for every dollar we send to the federal government.



BEFORE THE 2017 TAX HIKE BILL:

BERGEN COUNTY

\$24,783

average SALT deduction

WARREN COUNTY

\$12,588

average SALT deduction

SUSSEX COUNTY

\$14,267

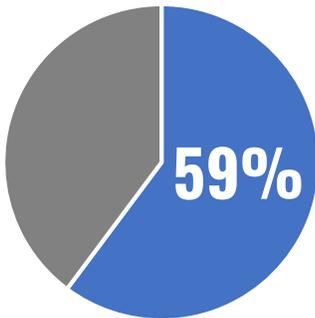
average SALT deduction

PASSAIC COUNTY

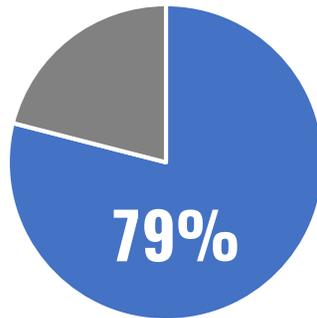
\$14,714

average SALT deduction

NOW: A **\$10,000** STATE AND LOCAL TAX DEDUCTION CAP



of New Jersey CPAs said they would advise clients leave New Jersey because of the higher taxes.



of New Jersey residents complained about higher property taxes.



Twice as many people moved out of New Jersey last year as moved in.

NOW: LOWER HOME VALUES

BERGEN COUNTY



estimated home value reduction

WARREN COUNTY



estimated home value reduction

SUSSEX COUNTY



estimated home value reduction

PASSAIC COUNTY



estimated home value reduction

UPCOMING: THE TAX HIKE BILL WILL ADD \$2.3 TRILLION TO OUR NATIONAL DEBT OVER THE NEXT DECADE